

## **The Two-Generation “Now” Approach, Helping Low-Income Families Survive the Recession**

John Padilla,  
The Annie E. Casey Foundation

Discouraging recent data from the U.S. Census Bureau make clear that the recession has fallen particularly hard on low-income Americans. The latest Census reports showed that from 2007 to 2009, 2 million more children were plunged into poverty. According to the Center on Budget and Policy Priorities, nearly 5 million more people are receiving food stamps since the recession started, while the number of homeless families – currently at 1.6 million – is likely to climb. DSS’s own estimates conclude that the amount of food stamp eligible recipients has risen some 30% since 2007.

In the months ahead, the spending and policy choices that state and local officials make can have an important effect on the futures of low-income Americans. While budgets will be tight, now is not the time to pull back on investments that foster economic opportunities for those in need. Indeed, more than ever, policymakers should support and, where possible, seek new and creative ways to expand such investments. With taxpayer resources stretched thin, however, we need to focus on policies that are smart, effective and show evidence of providing a good return on public dollars.

The Annie E. Casey Foundation believes an effective strategy is a “two-generation now” effort, focused on promoting the economic well-being of parents and simultaneously ensuring that young children are healthy, safe and succeeding in school. That means effective programs that help more low-income, low-skilled adults get and hold jobs, and access available public benefits like food stamps, Temporary Assistance for Needy Families, child care, education and tax credits, that can add up to sufficient income to provide for their families. It also means making sure that their children get the best possible start in life, are reading by third grade, and move forward with successful school careers, including post-secondary education.

I know my time before you this morning is limited so I want to focus on two specific things that you as legislators can act upon that will promote this two generation approach, while capitalizing on specific funding opportunities made possible by the Stimulus.

**The first is the TANF Emergency Contingency Fund.** This \$5 billion fund was created to provide additional fiscal relief to states as they tried to meet the growing needs of low-income residents in a time of declining revenues. The Fund, which is to be used for basic assistance, non-recurring short-term benefits, and subsidized employment, provides states with a 4:1 match based on increased spending over the 2007-2008 fiscal years. Connecticut is potentially eligible to receive up to \$130 million in TANF Contingency Funds if it were to apply for these funds. However, there have been signals from within state government that we will not go after this money for reasons that quite frankly do not hold up under scrutiny – especially since the

existing FY 2010 budget already includes increased expenditures that are eligible for the reimbursement.

There are a number of ways Connecticut can access this money, including the option to apply for the money in advance of the actual expenditure. There are also different ways to define and calculate the “increased spending” that qualifies for the match – including funds provided by third parties such as nonprofits! For example, the Annie Casey Foundation has taken the lead in raising \$400k to launch an initiative starting in January 2010 to enroll low-income individuals in public benefits such as food stamps, heating assistance, WIC, etc. TANF money could potentially bring us an additional \$1.6 million under the match formula to expand the initiative and reach more families.

The other area I want to bring to your attention is the need for subsidized and transitional employment programs. While the discussion requires more detail than I have time for, the question I ask you to consider is what happens to unemployed, low-income persons in your community during a time where there are no jobs? Connecticut’s job growth has been anemic for almost a decade, and in what many are now calling a jobless economic recovery, we still need to prepare people for new jobs while providing work experience and wages. Transitional work is a potential strategy for doing this which is also encouraged by the TANF Emergency Contingency Funds. Here again, the Casey Foundation is going to invest \$100,000 in launching a transitional work program for a relatively small number of ex-offenders. It would greatly help our effort to be able to leverage that money with an additional \$400,000 from TANF dollars.

Every state in the union is experiencing budget pressures that are as bad, or worse, than Connecticut. **Yet, not one of the 30 states that has applied for this TANF Emergency Fund money has been rejected.** The message from HHS is clear: “apply and we will work with you to help you figure out how to access this money”.

In closing, I urge you as legislators to do whatever you must to make sure this money reaches Connecticut’s most vulnerable children and families. It is inconceivable that Connecticut would not seize the opportunity to bring millions into the state to help those who are most vulnerable. I have given you two quick examples of where the Casey Foundation has brought half a million dollars to the table. My question is where do I go and who do I see to get the \$2 million in matching TANF funds?

The Annie Casey Foundation is ready to support your efforts to access the TANF Emergency Contingency Fund, and we will provide whatever assistance you might need. Thank you for your time this morning.

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John Padilla delivered these remarks to Connecticut lawmakers at the November 19, 2009 meeting of the [Speaker’s Task Force on Children in the Recession](#), at the Legislative Office Building in Hartford.